



STATE OF ARIZONA
DEPARTMENT OF INSURANCE

JANE DEE HULL
Governor

2910 NORTH 44th STREET, SUITE 210
PHOENIX, ARIZONA 85018-7256
602/912-8456 (phone) 602/912-8452 (fax)

CHARLES R. COHEN
Director of Insurance

REGULATORY BULLETIN 2001-8

TO: Life and Disability Insurers, Agents and Brokers,
Health Care Services Organizations, Insurance Trade
Associations and Other Interested Parties

FROM: Charles R. Cohen, Director of Insurance

DATE: June 29, 2000

**RE: **Health Care Financing Administration Technical Bulletin
Regarding Rates for Guaranteed Issue Medigap Policies****

The Health Care Financing Administration (which recently changed its name to the Center for Medicare and Medicaid Services (CMS)), has issued technical bulletin 01-01, dated June 2001, entitled: "Rates for Guaranteed Issue Medigap Policies". This bulletin addresses the issue of whether an insurer violates section 1882(s)(3) of the Balanced Budget Act of 1997 if the insurer offers a "guaranteed issue" policy to applicants protected under section 1882(s)(3), but refuses to sell the policy to these applicants at the rate made available to applicants who are underwritten. This bulletin concludes that an insurer must offer its best rate to any individual protected under section 1882(s)(3).

The Department will post this CMS bulletin, and future CMS bulletins as appropriate, on its web site at www.state.az.us/id under "Publications" so that interested parties may review them.

Insurers are advised that the Department will rely on the interpretations contained in CMS bulletins when enforcing laws governing Medicare Supplement ("Medigap") insurance, regardless of whether the Department issues its own regulatory bulletin on the particular topic.

Anyone with questions about this bulletin may contact Doug Ullrich in the Department's Life and Health Section at 602/912-8460.

